UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED

E/ECA/LDCs.9/EXP.8/3
27 February 1989

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Eighth Meeting of the Inter-Governmental Committee of Experts of African Least Developed Countries

Addis Ababa, Ethiopia, 22-24 March 1989

ECONOMIC COMMISSION FOR AFRICA

Ninth Meeting of the Conference of Ministers of African Least Developed Countries

Addis Ababa, Ethiopia, 4-5 April 1989

LC/NAIROBI

A REVIEW OF THE IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION (SNPA) IN AFRICAN LDCs, 1981-1988 AND POLICIES AND MEASURES FOR THE 1990s

TABLE OF CONTENT

		Page
	INTRODUCTION	1-2
	OBJECTIVE OF THE STUDY	2-3
I.	OVERALL ECONOMIC PERFORMANCE	3-12
	A. GDP growth	3-5
	B Sectoral growth performance	5-11
	(i) Food and agriculture	5-6
	(ii) Manufacturing industry	6-7
	(iii) Transport and communications	8-9
	(iv) Mining	9
	(v) Human resources and social development	10-11
	C. External trade and balance of payments	11
	D. External debt situation	12
II.	MEASURES AND ACTIONS ADOPTED IN AFRICA IN THE CONTEXT OF THE SNPA	12-14
	A. National level	12-13
	B. Regional level	14
III.	INTERNATIONAL SUPPORT MEASURES	15-20
	A. Trends in overall flows	14
	B. Official development assistance	15-16
	C. IMF arrangements	17
	D. Use of World Bank resources	17-18
	E. Alleviation of the debt burden	18-19
	F. Commercial policy measures	19
	G. Aid modalities	19-20
	H. Aid co-ordination	20
IV.	POLICIES AND MEASURES FOR THE 1990s (issues for consideration)	20-22
	FOOTNOTES	23
	ANNEXES	

INTRODUCTION

1. Explicit recognition of the socio-economic development dilema of the least developed countries (LDCs) 1/ was given in 1964, at the first plenipotentiary conference of the United Nations Conference on Trade and Development (UNCTAD I). The developmental problems and economic prospects of the LDCs were examined and the conference came to the inevitable conclusion that because of their structural rigidities and extreme vulnerability, only dramatic action by the international community, on a scale far transcending previous efforts, could assist them to accelerate their pace of development.

2. Although much was done after 1964 to conceptualize and clarify the nature of the problems and the structural difficulties facing the LDCs, however, no real action was taken until UNCTAD V in 1979. Then, on the initiative of the Group of 77, the international community unanimously adopted resolution 122(V) on a comprehensive programme of action for the LDCs, which listed the immediate measures to be undertaken from 1979-1981 and made a committment to elaborate a more substantive and action-oriented programme to deal boldly with the structural problems and long-term development objectives of the LDCs. The implementation of the immediate phase component was disappointly slow. Consequently, in response to the United Nations General Assembly resolution 34/203 of 17 December 1979, UNCTAD convened an international conference on the LDCs in September, 1981 which adopted the Substantial New Programme of Action (SNPA) for the 1980s for the least developed countries.2/

3. The main objective of the SNPA was to promote the necessary structural changes required to overcome the extreme economic difficulties of the LDCs and enable them to achieve adequate internationally acceptable minimum standards of living. During the 1980s the LDCs were to implement programmes and projects designed to increase their national income substantially and in appropriate cases to double it by 1990 as compared with the levels of the late 1970s requiring in effect, an annual average growth rate of 7.2 per cent.

4. The emphasis was placed on the agricultural sector, notably to increase food production in order to guarantee food security and increased nutritional levels and to aim towards at least a 4 per cent annual average growth rate in value added. In manufacturing, the LDCs were to establish agro-based industries and promote the development of small-scale and indigenous resource-based enterprises with the aim of increasing their overall annual growth rate of output to at least 9 per cent. The SNPA also stressed the need for transformational investments to finance the attainment of the growth and welfare targets and for the exploration and exploitation of natural resources particularly minerals, energy and water resources.

5. In the social sectors, the LDCs were urged to develop their human resources by taking the necessary steps to reduce illiteracy and ensure a balanced development of the various types and levels of education. The strategies and action on health and nutrition were to be based on the concept of primary health care, including intensive efforts to provide safe drinking water and adequate sanitation by 1990, the immunization of all children against major infectious diseases and the supply of the necessary calorie and protein intake. Furthermore, the LDCs were to take appropriate measures to provide family planning and population control and population policies were to be an integral part of overall development policies.

6. In 1981, 21 countries in Africa were classified as LDCs, but by 1988 the number had grown to 28 3/. Of this total, twelve are landlocked and four are island countries. They are all characterized by very low income per head, the majority of the population living at below minimum acceptable standards in basic needs and predominantly in the subsistence sector; extremely low agricultural productivity and weak agro-support institutions; a low share of manufacturing in GDP; inadequate levels of exploitation of natural resources, especially of minerals and energy, because of lack of knowledge, finance and skills; low per capita export levels and even with aid flows, very limited absolute availability of imports; acute scarcity of skilled personnel at all levels; weak institutional and physical infrastructure, especially in the areas of transport and communications; and major geographical and/or climatological handicaps such as a landlocked situation, insularity, drought and desertification.

7. In addition, the African LDCs also face acute population problems. Collectively, they accounted for 37 per cent of the total estimated population of 540.5 million of developing Africa in mid-1986. In general, however, the LDCs are characterized by relatively small and scattered population, ranging from 0.11 million in Sao Tome and Principe, to 44.6 million in Ethiopia.4/ Seven countries (Cape Verde, Comoros, Djibouti, Equatorial Guinea, Gambia, Guinea-Bissau and Sao Tome and Principe) have populations of under a million and in only five does population exceed 10 million. (Ethiopia, Mozambique, the Sudan, Uganda and the United Republic of Tanzania).

OBJECTIVE OF THE STUDY

8. The United Nations General Assembly decided in Resolution 42/177 of 11 December 1987, to convene the Second United Nations Conference on LDCs in 1990, which would carry out a global review and appraisal of the implementation of the SNPA during the 1980s and consider, formulate and adopt appropriate national and international policies and measures to accelerate development in the LDCs during the 1990s, in accordance with national long-term social and economic objectives. The Assembly also requested the organizations of the UN system to review progress in implementing the SNPA in their respective areas of competence.

9. The twenty-eight African LDCs are all member States of ECA and the commission is a regional focus for monitoring the SNPA in Africa. Hence, in the context of para. 4 of resolution 42/177, this paper reviews the progress made in the implementation of SNPA in the African LDCs during 1981-1988. Section I evaluates the overall group socio-economic and development performance based on a trend analysis of key macro-economic and sectoral indicators. Section II reviews the domestic policies and measures and follow-up exercises at the national and regional levels, including the aid co-ordination mechanisms, to mobilize external resources. This is followed in Section III by an appraisal of international support measures, particularly Official Development Assistance (ODA) and other resource flows in support of adjustment programmes and/or medium-term macro-economic policy reform measures in the LDCs. The concluding Section IV, attempts some preliminary recommendations on a framework of policies and measures for the 1990s.

I. OVERALL ECONOMIC PERFORMANCE, 1981-1988

A. GDP growth trends

10. Overall, the economic growth performance of the LDCs in Africa during the 1980s has been sluggish. Economic growth declined especially in the first half of the 1980s, when these countries were the most affected by the worldwide recession of 1980-1982, which was marked by the collapse in international commodity prices and a drastic fall in the demand for primary commodities. The resultant drop in export earnings led to acute shortages of foreign exchange resources, which weakened the capacity of the LDCs to finance medium-term national development and structural adjustment programmes. Apart from structural problems and external factors, domestic economic growth was seriously constrained by the devastating drought of 1982-1984.

11. During 1981-1984, in the African LDCs as a group, the annual average growth rate of GDP (at constant 1980 prices) in real terms was 0.99 per cent, as compared with an average of 2.5 per cent in 1975-1980. Overall performance improved on the whole in the second half of the 1980s with the return of adequate rainfall in 1985 that nurtured a significant recovery in agricultural production, the main source of value added in majority of the LDCs. As a group, the LDCs registered an average annual increase in GDP of 3.8 per cent in 1985-1986, which declined to 3.6 per cent in 1986-1987. Because of the decline in agricultural value added, however, from 3.3 per cent in 1986-1987, to 0.7 per cent in 1987-1988, the rate of GDP growth is expected to fall to around 2.1 per cent. In terms of per capita GDP, a decline was recorded, from an average of $US236.7 in 1980-1984, to $US217.8 in 1985-1986 with a slight increase registered in 1987-1988, at $US220.9 for the LDCs as a group.

12. The overall averages conceal the dismal performance of individual economies, since a number of countries continued to experience serious imbalances stemming largely from adverse weather conditions, other internal factors and the constraints imposed by shortages of foreign exchange resources. Table 1 shows that seven countries had negative GDP growth rates during 1980-1984, ten in 1984-1985, five in 1985-1986, three in 1986-1987 and four in 1987-1988. The growth rates of real GDP in most countries fell within the range of 0.2 to 4.8 per cent. Only Botswana achieved growth rates (except for 1984-1985), commensurate with the SPPA annual growth target for the 1980s of 7.2 per cent.

13. The structure of GDP has remained virtually the same, which strongly suggests that there has been very little structural change in the economies of the African LDCs. The agricultural sector continues to dominate GDP formation, accounting for an average of 43.3 per cent of total output during 1981-1988. The service sector contributed an average of 40.1 per cent, which demonstrates the increasing significance of informal sector activities in the LDCs. Due to limited industrial capabilities and the widespread below capacity utilization of existing plants, the manufacturing sector contribution to GDP was stagnant, at 9.3 per cent during 1981-1988.

14. As revealed by Table 2, the LDCs recorded an increase in the domestic saving rate from an average of 4.1 per cent in 1980-1984, to 8.2 per cent in 1988. Not all individual country performances, however, confirm this general trend, for fourteen countries registered negative growth rates in gross domestic savings, with a record savings gap in Lesotho of 86 per cent of GDP in 1980-1984, although it is estimated to have declined to 49.5 per cent in 1988. Only three countries, Botswana (32.4%), Guinea (16.3%) and Togo (17.8%) recorded savings ratios above the average level of 15 per cent during the same period. In 1988, only these countries and Comoros (19.7%) made any significant improvement in their domestic savings rate. The major constraints limiting the mobilization of domestic savings are the very low income per capita, a narrow tax base and the inadequacy of financial incentives such as high interest rates.

15. The above trends in the savings rate explain the low rate of gross domestic investment in relation to GDP. As a group, the LDCs experienced a decline in the rate of investment as a percentage of GDP from an average of 16.31 per cent in 1980-1984, to 13.92 per cent in 1988. This fall can also be explained by the concentration of the LDCs on rehabilitation-type investment as part of adjustment measures, rather than on new investment. There was also a drastic decline in foreign private direct investment in the LDCs. Cape Verde and Burkina Faso, however, maintained a significant level of investment, averaging 48.7 and 26.9 per cent respectively, during 1980-1988, as indicated in Table 3. These trends imply that the African LDCs are unable to invest adequately in productive sectors, let alone in transformational investment from their own resources, which makes them extremely reliant on unpredictable external sources to support the capital budget.

16. Recent estimates of the consolidated public finances of African LDCs show that recurrent revenue as a percentage of GDP increased from an average of 16.8 per cent in 1980-1982, to 18.4 per cent in 1987, while recurrent expenditure remained stagnant at 16.8 per cent over the same period. Of the recurrent expenditure in GDP, 2.4 per cent went to debt servicing and 6.4 per cent to the civil service wages bill. Capital expenditure as a percentage of GDP, mainly investment associated with externally supported rehabilitation programmes, within the framework of sector adjustment activities, increased from 5.4 per cent in 1980-1982, to 7.9 per cent in 1987.

17. Overall, the budget deficit as a percentage of GDP for the group increased slightly from 5.4 per cent in 1980-1982, to 6.3 per cent in 1987. The financing of these deficits during the 1980s, largely from budget and balance of payment support funds from donors, confirms the continued reliance of the LDCs on external assistance. About 73 per cent of the total deficit was financed from external sources in 1987, compared with 50 per cent in 1983.

B. Sectoral growth performance

(i) Food and agriculture

18. Agriculture remains the basis of the economies of the African LDCs, employing over 80 per cent of the economically active population and contributing an average of 43.3 per cent to GDP and over 80 per cent of export earnings. The real average annual growth rate of value added in agriculture in the African LDCs as a group was 2.7 per cent during 1981-1982 but it dropped drastically to -2.8 per in 1983-1985 largely as a result of the adverse effects of the drought and pests.

19. Adequate rainfall in 1985, coupled with intense government effort to increase investment in agriculture and to provide incentives to farmers in the form of producer price increases and the timely delivery of essential inputs, resulted in an increase in total agricultural production. For the LDCs as a group, overall value added in real terms increased by an average of 4.5 per cent in 1985-1986, although it fell back to 3.4 per cent in 1986-1987. The SNPA target of an increase of 4.2 per cent per year for the sector was achieved only in 1986, when the annual increase in agricultural output was 6.1 per cent.

20. In 1984, drought affected 20 African LDCs and the worst effects were on food production especially cereals and livestock. The average annual growth rate in food production declined from 5.9 per cent in 1980-1981, to 0.1 per cent in 1981-1982. In 1983-1984, per capita food production dropped to its lowest level at 0.4 per cent, as compared with an increase of 2.8 per cent in 1981-1982. Cereal harvests in the 16 most seriously affected food deficit African LDCs were so low in 1983-1984, that large scale imports were needed to feed the population and even then, nutritional levels were far below normal requirements. The FAO production figures show that output was substantially higher in 1986/87, with five African LDCs (Burkina Faso, Malawi, Niger, Sudan and Uganda) recording outputs in excess of domestic requirements. Adverse weather conditions in 1987/88 in a number of LDCs, however, resulted in poor harvests necessitating the large scale importation of food.

21. Table 4 shows that country-specific performances have varied widely depending on the severity of the drought and on local agricultural conditions. For instance, in Ethiopia, one of the countries most seriously affected by the drought, agricultural production declined by as much as 9.9 per cent in 1983-1984 and 16 per cent in 1984-1985. In 1985, however, better climatic conditions and government determination to recover from the adverse effects of the drought, backed by a high level of international assistance, resulted in a rise in agricultural value added of over 3 per cent.

22. Many reasons have been advanced for the serious gap in agricultural output in African LDCs, besides the recurrence of drought conditions and the other adverse climatic factors. There is increasing pressure on land due to rapid increases in population. In a number of LDCs especially in the Sahelian zone, desertification is rapidly reducing the area of cultivable land. Other factors include inadequate investment allocation in the agricultural sector; lack of appropriate high-yielding technological packages (i;e: fertilizers, pesticides, agricultural implements and tools, access to credits, etc.), indiscriminate and unscientific use of land leading to soil degration and poor transport infrastructures.

23. Faced with the problems besetting the agricultural sector, governments of LDCs have implemented reforms and have designed medium- to long-term strategies giving the highest priority to agriculture, especially to food production. Investment allocation to the sector now takes a considerable share of the LDCs annual national budgets. Policies on marketing and price liberalization have been adopted, either as part of externally supported adjustment programmes or of nationally conceived economic recovery programmes, in an attempt to expand agricultural production. The promotion of the use of high yielding crop varieties and drought-resistant crops are part of the strategies for food self-sufficiency in a number of LDCs. Regional collecting centres and storage facilities have been established in order to reduce post harvest losses and ensure food security.

24. In spite of the drastic decline in agricultural output, the fact that nine LDCs5/ attained or surpassed the SNPA target of an average annual increase of 4 per cent, in 1985-1986, confirms their ability to meet the programme's objectives, provided that appropriate domestic policies and measures are adopted and that the required external assistance is forthcoming.

(ii) Manufacturing industry

25. During 1980-1986, the manufacturing sector in the African LDCs recorded an average annual growth rate of 2.4 per cent, declining to 0.4 per cent in 1987, compared with 3.1 and 3.7 per cent respectively for developing Africa as a whole. The share of manufacturing value added (MVA) in GDP (at constant 1980 factor cost) and MVA per capita show that the African LDCs have a small industrial base which changed little structurally during the 1980s, in spite of policy reorientation in the context of the industrial development decade for Africa (IDDA), the SNPA and the implementation of sector adjustment rehabilitation programmes.

26. Table 5 shows that the share of MVA in GDP dropped in most LDCs during 1980-1987. Of the 17 countries for which data is available, only Burkina Faso (12.9%), Ethiopia (11.7%), Malawi (14%), the Gambia (13.3%) and Rwanda (17.4%) were the estimates for MVA as a percentage of GDP greater than 10 per cent in 1987. Only the Gambia ($55) and Rwanda ($40) achieved at least the average MVA for developing Africa of US$40.00 per caput in 1987.

27. Manufacturing industry in the African LDCs is basically component assembly, heavily dependent on imported raw materials, machinery and other equipment and spares. The consumer-goods processing industries account for the bulk of gross output and value added by the sector. The share of these industries in total manufacturing value added in 1985 was 79.4 per cent in Ethiopia, which is the only LDC ranked as one of ten major manufacturing countries in developing Africa. In the Gambia, the processing of groundnuts and fish accounted for 75 per cent of manufacturing value added.

28. Table 6 shows that in 1984, food textiles and clothing accounted for 79 per cent of the MVA in Burkina Faso, 82 per cent in Mali, 76 per cent in Uganda and 81 per cent in Togo. Food processing alone provides 78 per cent of MVA in Burundi, 91 per cent in Mauritania and 72 per cent in Rwanda. The intermediate and capital goods sub-sector is either relatively undeveloped or non-existent in the African LDCs.

29. The lack of intermediate and capital goods industries in African LDCs implies that a substantial proportion of their total imports consists of manufactures particularly machinery. The share of manufactures in the merchandize trade of Niger and Rwanda was 74 and 70 per cent, respectively, in 1985. Such heavy external dependence has meant that the decline in foreign exchange resources available for such imports led to below-capacity utilization, resulting in low productivity, reduced employment, enormous output losses and sharp declines in investment. Capacity utilization rates in the African LDCs as a group fluctuate between 25-40 per cent of existing manufacturing capacity.

30. Since the launching of the Industrial Development Decade for Africa (IDDA) in 1980, and the adoption of the SNPA in 1981, both of which set a quantitative target of an average annual growth rate of at least 9 per cent in the manufacturing sector during the 1980s, the African LDCs have committed themselves to redress the structural factors that impede the development of a viable industrial base. They established priorities focussing on the development of agro- and other domestic-resource-based industries and designed policies and programmes to encourage and promote the development of small- and medium-scale enterprises.

31. During the 1980s, most of the LDCs adopted reform measures to encourage increased private sector participation and directed a considerable amount of investment to the rehabilitation of industrial plants. Despite these efforts, the LDCs as a group posted an average annual increase in manufacturing output of only 0.4 per cent during 1980-1987, which is far below the SNPA threshold.

(iii) Transport and communications

32. Physical and structural problems hinder the development of transport and communications in many African LDCs, since twelve LDCs are landlocked and four are island countries. Transport costs associated with the external trade of landlocked LDCs are enormous, as many are on average about 800 kms. from the nearest sea port. Capital and maintenance cost for roads are extremely high. The climatic conditions in the LDCs with rail transport shorten the life of equipment designed for temperate zones. There is also a lack of the skills and technological know-how vital for the development of these sectors. In spite of these problems, the LDCs have striven during the 1980s to develop and improve their transport and communication infrastructure, within the framework of the Transport and Communications Decade for Africa (UNTACDA), 1978-1988, the Pan-African Telecommunications Network (PANAFTEL) and the Regional Satellite Communications (RASCOM) project.

33. Road networks have expanded in majority of the LDCs in Africa since 1975 as illustrated in Table 7. A noteworthy example is that of Ethiopia, which with a road network of 8803 km. in 1975, had extended the mileage to 57,600 km. by 1986 and continues to implement major projects. In general, the road density of the LDCs which was estimated at 0.03 km^2 in 1982 has increased to 0.1 km^2 in 1986; a substantial improvement, particularly in access roads, that are an integral part of agro-support infrastructural facilities.

34. The total length of the rail network in the 15 LDCs with rail transport increased from 16,851 kilometers in 1982, to 17,731 km. in 1986. Although a modest improvement, this is a major achievement relative to the resource constraints facing the LDCs and the enormous capital outlay required.

35. Seventeen African LDCs are coastal countries possessing at least one port facility. By all indicators, none is considered an important maritime nation and are all dependent on transnational shipping companies to carry the bulk of their cargo in international trade transactions. In the 1980s, however, the governments expended substantial investment in the development of their ports in order to ease international maritime traffic. In cooperation with the nearest sea-port countries in Africa landlocked LDCs have developed transport corridors and established warehouses to facilitate cargo handling. Port productivity during the 1980s, however, remained extremely low, estimated at 30-50 per cent below the average for other regions. This poor showing is attributed to the lack of modern cargo handling equipment, lack of manpower and general managerial and organizational deficiencies.

36. In comparison with other regions, air transport in African LDCs is relatively underdeveloped. In 1987, the share of African airlines in the total air traffic of all airlines of the International Civil Aviation Organization (ICAO) contracting states was a mere 3.0 per cent. In spite of efforts deployed by national airlines and such regional organizations as AFRAA and AFCAC,

the sub-sector is beset with major problems, including a lack of cooperation and coordination among the airlines; inadequate infrastructure, difficulties associated with the granting of traffic rights, poor facilitation and above all, lack of adequate financing.

37. The SNPA recognized that in order to achieve growth targets in key productive sectors, transformational investment was needed in the transport and communications sector, so as to eliminate the physical barriers to economic activities. The LDCs rely extensively on external sources for over 80 per cent of the financing required for projects and programmes in these sectors. Inadequate financial flows during 1981-1988 have had an adverse impact on the rate of implementation of transport and communications projects. For example, of a total cost of US$2,327.98 million for 127 national and sub-regional road projects in 25 LDCs, 87.4 per cent was anticipated as external assistance. Since these resources were not fully realized, about 50 per cent of the projects had not been executed by the end of UNTACDA in 1988.

(iv) Mining

38. The mining sector contributes significantly to GDP in only a few African LDCs. It accounted for an average of 3.5 per cent in GDP of the LDCs as a group during 1980-88. In growth terms, mining output increased by an average of 2.8 per cent per year during 1980-84. After the mid-1980s, major rehabilitation work in mining facilities was completed in the main mineral producing countries, which brought about an increase in output of 4.5 per cent in 1985. Unfavourable price conditions thereafter led to a decline in production in 1986 and 1987, with recorded increases in output of 3.4 and 0.6 per cent, respectively. The importance of single mineral commodities in GDP formation and the export earnings of selected main LDC mineral producers is shown in Table 8.

39. During the 1980s, mining sector development has been limited by world market conditions, especially the sharp fall in the prices of minerals exploited in the African LDCs. As a result, foreign exchange earnings have fallen drastically and production has declined. In addition, market uncertainties have contributed to the decline in investments, both in new operations and in machinery and equipment purchases to expand or rehabilitate existing operations. These external constraints are becoming more severe because technological changes in the major OECD markets have an adverse effect on minerals and metals utilization. Low unstable prices and sluggish demand is forecast to lead to a decline in export capacity and the loss of a major source of development finance of the LDCs during the 1990s. Nothwithstanding such a grim perspective, several LDCs including Ethiopia, Burkina Faso, Mali and the Central African Republic, continue exploration and the exploitation of minerals in a bid to diversify their economies.

(v) Human resources and social development

40. The 28 African LDCs have a combined population of 200.6 million, or 37 per cent of the total population of developing Africa. Average annual population growth is forecast to increase to 2.8 per cent in 1985-1990, from 2.73 per cent in 1980-1985 and projected to exceed 3 per cent by the year 2000. By the turn of the century, therefore, the projected total population will be about 302.8 million. 6/ The age structure shows that 45 per cent of the population are in the 0-14 dependent age group and only 50 per cent in the productive age group (15-59) of the population.

41. The high population growth rates are a reflection of very high fertility rates in relation to high but declining mortality rates. In most African LDCs, total fertility is higher than six children per woman, infant mortality rates range from 80 to 154 and life expectancy at birth is between 41 and 61 years, although life expectancy of over 50 years, is confined to Botswana (58.5), Cape Verde (61.0), Comoros (52.0), Lesotho (55.9), Togo (53.0), Uganda (52.0) and the United Republic of Tanzania (53.0). The figures are largely explained by the high incidence of malnutrition, especially among infants and mothers; the lack of good drinking water supplies and poor medical facilities.

42. There has been a marked decline in investment in the social sectors in the African LDCs during the 1980s. Spending per head has been slashed by an estimated average of 50 per cent in education and 25 per cent in health. As for water and sanitation, 60 per cent of the population still have no access to clean and treated water, while 85 per cent are without adequate sanitation. A large percentage still live in grass thatched and mud wall dwellings in isolated and inaccessable rural areas while those in urban areas live in make-shift temporary structures. The populations are continuously under the threat of disease epidemics, such as dysentery, cholera etc.

43. Concern over the implications of increased population, the age structure and the general retrogression in living conditions, relates to the limited availability of resources to provide for human resources quality enhancement, sustainable social programmes and other overheads, particularly for the dependent age group of 0-14 years during the 1990s. There will continue to be a strain on the capacity of the LDCs to generate adequate financial and material resources for social development programmes and to create an environment for increased employment opportunities for those in the productive cohort of 15-59. The increased population will give rise to an enormous demand for food, which will affect the allocation of resources to other key economic and social sectors. Political, administrative and social stresses have already emerged in the 1980s and will intensify in the next decade because of increasing pressure on health and welfare services.

44. The SNPA emphasized that population policies should be an integral part of overall national development policies. In the 1980s some of the African LDCs have taken appropriate measures on family planning and population control through the design of projects and programmes supported by financial and material resources. A study by ECA shows that there is enthusiastic community involvement in the implementation of maternal child health and family planning programmes. 7/ In 1986, twenty LDCs had active policies and provided direct support for the

effective use of modern methods of fertility regulation. A major constraint in all these programmes is the lack of adequate technical know-how and funding; hence adequate international assistance is absolutely necessary.

45. In order to enhance productive capacity, most African LDCs have implemented appropriate measures to develop education, particularly to reduce the level of illiteracy. The inadequacy of available resources, however, limits the quantity and quality of the educational facilities needed to cater adequately for an ever-growing population. Nevertheless, the determined efforts made by governments are reflected in the increasing literacy rates, which have exceeded the SNPA targets in all African LDCs except Somalia, Niger, Mali and Burkina Faso. Noteworthy performances are those of Lesotho and Botswana, which have achieved the highest literacy rates in the LDCs and rates for females either equal to or exceed those for males. In other LDCs, however, there are substantial differences between male and female literacy rates, with much lower rates for females, implying that major efforts are still required to upgrade women's educational achievements in order to integrate them into overall national development.

C. External trade and balance of payments

46. The export structure of the African LDCs is dominated by a few agricultural commodities, which account for well over 80 per cent of export earnings. The principal export commodities are coffee and cotton, with some minerals and metals (diamonds, uranium, bauxite, iron ore and phosphates). The total value of exports of the LDC group showed only modest increases during 1981-1988, from an average of $US5.1 billion in 1981-1984, to $US5.9 million in 1985-1988. There was a general decline in the volume and value of exports of those LDCs dependent on agricultural exports.

47. The African LDCs are more import-dependent than other developing countries, with goods ranging from very basic consumables, to a wide variety of capital goods. Many of them are food deficit countries and virtually all are oil importers. Combined food and oil import bills alone absorbed at least 40 per cent of export earnings during 1980-1985. The average annual value of imports was $US10 billion during 1981-1988, although there was a slight drop in 1984 and 1985 to around US$8.7 billion, caused by the decline in the import of capital goods in favour of emergency items in most LDCs.

48. The merchandise trade balance has been consistently in deficit during the 1980s, ranging from $US4 billion in 1981 to $US2.4 billion in 1985. During 1986-1988, the deifict increased at an annual average of $US3 billion. The current account deficit decreased from $US3.0 billion in 1981, to $US1.0 billion in 1985. During 1986-1988 the deficit increased at an annual average of $US1.7 billion, mainly because of increased interest payments. Similarly, the overall balance of payments deficit, which stood at $US1.13 billion in 1985 was estimated at around $US2.4 billion in 1988, reflecting the deteriorating external payments situation of the African LDCs.

D. External debt situation

49. Unfavourable economic developments in the African LDCs during 1980-1988 were accompanied by an increasingly burdensome external debt problems. At the end of 1987, the total external indebtedness of the 28 LDCs in Africa including outstnading use of IMF credits is estimated to have been $US40.16 billion, excluding arrears but including short-, medium-, and long-term publicly guaranteed and unguaranteed debt. About $US2.2 billion is outstanding balance of IMF credits (see TAble 9). The magnitude of this debt seems modest, but as a proportion of the combined GDP of the African LDCs, it is estimated to have been 90.5 per cent in 1987, which implies that borrowings have not resulted in a commensurate expansion in productive capacities.

50. Total debt service payments increased consistently during the 1980s. Such payments for the LDCs as a group average over 10 per cent of their total GDP and put severe limitations on the resource allocation to development programmes. The debt service ratios (total debt outstanding, plus use of IMF credits, over exports of goods and services) explain the unmanegable level of the debt burden of the LDCs. The debt ratio ranges from 48.2 in Botswana, to 1,726.0 in Mozambique.

51. The group situation, however, conceals the magnitude of the debt in some countries. About 55 per cent of the debt is owed by four LDCs: Ethiopia $US2.33 billion; Mozambique $US3.59 billion; the Sudan: $US12.10 billion and the United Republic of Tanzania: $US3.67 billion. Eight others owed amounts exceeding a billion dollars in 1987: Guinea, Malawi, Mali, Mauritania, Niger, Somalia, Togo and Uganda. The debts of the other LDCs range from $US0.11 billion in Sao Tome and Principe, to 0.84 million in Benin.

II. MEASURES AND ACTIONS ADOPTED IN AFRICA IN THE CONTEXT OF THE SNPA

A. National level

52. During the 1980s, all the African LDCs have taken wide-ranging actions, including major policy reform measures, to revitalize their economies and lay the foundations for self-sustained economic growth and development. To enhance agricultural production especially of food crops, producer prices have been systematically reviewed and adjusted upwards and the timely delivery of essential inputs, has been ensured, as an incentive to farmers. Public enterprises, which are a burden on the government budget have either been privatized, or measures instituted to enhance their efficient management. To mobilize domestic resources interest rates have been restructured to encourage increased domestic savings and measures taken to broaden the tax base. Attempts have been made to reduce the budget deficit through a freeze and/or reduction in the size of the public sector employment.

53. The persistent difficulties faced by the African LDCs with regard to external payment imbalances caused a number of them to adopt short-term stabilization measures. During 1986-1988, fourteen African LDCs adopted structural adjustment and stabilization programmes supported by the IMF and the World Bank, designed to last for 1-3 years, depending on the magnitude of the disequilibria. Although some degree of adjustment may have have been effected, the lack of a well-articulated long-term perspective in the policy packages aggravates the risk of neglecting infrastructure and other structural factors, imposing a long-term constraint on economic growth.

54. Since the mid-1980s, as a precondition for official development assistance (ODA) disbursement and debt relief, bilateral donors have required the LDCs to adopt stabilization and structural adjustment programmes supported by the IMF and the World Bank. In recognition of their own limited options for development finance, the LDCs have had to implement painful measures of adjustment at great social and political cost. Such economies have been characterized by political instability because of the impact of the measures on the most vulnerable sections of the population. 8/ Furthermore, some countries have not received adequate external funding from donors to support the programmes, partly because of the abandonment of programmes at mid-term if the LDCs cannot meet the IMF conditionalities and performance criteria. Subsequently, the suspension of the resource disbursements and the time lost on re-negotiating the agreement have limited the effectiveness and damaged the prospects of success of the measures taken.

55. At the regional level, the African-LDCs, as member states of the OAU adopted Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER) in July 1985 and the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD) in June 1986, in response to the African economic crisis. The objectives and priorities established by these programmes are consistent with those of the Substantial New Programme of Action (SNPA). Relevant measures,have been adopted as a means of judiciously implementing these programmes, albeit with very limited domestic and external resources.

56. For following up and monitoring the implementation of the SNPA, all the African LDCs designated national focal points, usually the ministries of planning and economic development, to be responsible for the coordination of development assistance and other international support measures and to act for the government in aid coordination with donors. The necessary administrative mechanisms have been established both for internal coordination and consultations with donors. Development plans have been reformulated, priorities redefined and public investment projects realistically designed to reflect the absorptive capacities of the LDCs. The plans and programmes formed the basis of policy dialogue at roundtable and consultative group meetings organized by the LDCs to mobilize external resources.

B. Regional level

57. The ECA is the regional focus for the follow-up and monitoring of the implementation of the SNPA in Africa. Prior to the Paris Conference in September 1981, the secretariat provided technical assistance and advisory services to the African LDCs in the preparation of country presentations on macro-economic policy framework and investment profiles. The secretariat was also involved in sensitization missions, aimed at mobilizing the support of the donor community for effective participation in the LDCs conference.

58. The ECA Conference of Ministers established the Conference of Ministers of Least Developed African Countries in 1980 9/ as a subsidiary organ of the Commission. The Conference was mandated to ensure the coordiantion of efforts, establish priorities, monitor and evaluate progress under the comprehensive programme of action and to undertake periodic analysis and evaluate progress in the LDCs. The conference meets annually and has made wide-ranging recommendations on policy issues, in particular, on domestic resource mobilization; pricing policies; implications of structural adjustment and stabilization programmes on long-term growth and development; food strategies; human resources development; industrial capacity utilization and the growth and structure of financial institutions.

59. A small unit was created in the secretariat in 1982, assisted by an ECA inter-divisional committee on LDCs, responsible for the coordination of ECA's activities on LDCs. The ECA special programme for the LDCs consists of: technical assistance and advisory services in plan and programme preparation, and to assist in strengthening planning capabilities at national level; the review of the soico-economic development performance and the evaluation of progress in the implementation of the SNPA at the national and regional levels and the preparation of in-depth analytical studies as the technical inputs to the annual LDCs ministerial conferences.

60; During 1980-1988, the secretariat engaged in technical assistance missions to all African LDCs to assist in the development of projects in the following areas: 10/ food and agriculture; industrial development in the context of the IDDA especially for projects related to the promotion of small and medium scale enterprises; natural resources, notably assistance related to exploitation and exploration of minerals, energy and water resources; transport and communications within the framework of the United Nations Transport and Communications Decade for Africa (UNTACDA); trade and finance with emphasis on the promotion of inter-African trade and subregional and regional economic cooperation.

III. INTERNATIONAL SUPPORT MEASURES

61. In addition to the structural adjustment and stabilization programmes, the African LDCs have also designed medium-term development programmes for consideration with the donors at roundtable and consultative group meetings. The condition is that donor assistance shall be closely associated with economic policy measures approved by the IMF and/or the World Bank. Thus, this analysis on international support measures should be read in the context of overall macro-economic management.

A. Trends in overall flows

62. As shown in Table 10, the overall total net financial flows from all sources to the 28 African LDCs increased in real terms from $US4.538 billion in 1981, to $US4.563 billion in 1985. In 1986, total financial flows dropped by about 11.3 per cent to $US5.5 billion and further decreased to $US5.4 billion in 1987. The major recipients throughout the period were Ethiopia, the Sudan, the United Republic of Tanzania, Somalia and Mozambique. In addition to drought-related external assistance, these LDCs were also important beneficiaries of assistance targetted at African refugees, the majority of whom are located in some of these countries.

B. Official development assistance

63. Total net disbursement of official development assistance (ODA) from the Development Assistance Committee (DAC), Arab and multilateral sources in real terms to the 28 African LDCs, which averaged $US4.2 billion (1980 prices and exchange rates) annually between 1981-1984, rose to 5.95 billion in 1985, but dropped to $US5.67 billion in 1986 and $US5.3 billion in 1987. Total net commitments stood at $US6.3 billion during 1983-1985, even though a number of donor meetings were held during this period. In 1986, committments increased to an estimated $US7.12 billion, but declined by 10 per cent to $US6.41 billion in 1987. There was a noticeable difference between aid committments and actual disbursement between 1981-1985, but this gap narrowed considerably during 1986-1988, due to the quick disbursement of funds in support of adjustment programmes.

64. Total DAC bilateral ODA flows to African LDCs increased from $US2.5 billion in 1981, to $US4.6 billion in 1987. Between 1981-1986, an average of 45 per cent of the total assistance was absorbed by only four countries: Ethiopia, Somalia, the Sudan and the United Republic of Tanzania. Total net disbursements of multilateral ODA flows to African LDCs increased by an annual average of 8.2 per cent during 1981-1987. The increases in 1983-1987 are associated with the increasing role of multilateral financing institutions, especially United Nations orgnaizations, in emergency relief efforts and adjustment programmes.

65. The African Development Bank provides the major part of its assistance to African LDCs through the African Development Fund, which increased its credits from US79.8 million in 1981 to US3[illegible] million in 1987. The ADF has also provided $US28.8 million in co-financing in support of the structural adjustment programmes of Gambia, Guinea-Bissau and Sao Tome and Principe. A major boost in lending to the LDCs is forseen under the on-going five year programme 1987-1991, during which ADF lending capital should be increased to $US10 billion.

66. OPEC bilateral and multilateral flows to African LDCs shrank considerably in the late 1980s. Concessional assistance reached its lowest level in 1986, at $US200.4 million, from a peak of $US661 million in 1983. The principal recipients: Djibouti, Mali, Mauritania and the Sudan - account for 80 per cent of the flows in 1986. The drop in oil prices in 1986 was translated into a 17 per cent cut in bilateral flows from the level of $US280.1 million in 1985.

67. Total non-concessional financial flows from all sources fell from $US570.6 million in 1981, to $US115.3 million in 1986, a reflection of the perception by private financial markets of the high risks associated with lending or investing in the LDCs. Private direct investment dropped from US77.3 million in 1981, to $US27.7 million in 1986, despite efforts by the LDCs to improve the investment climate. Private export credit was a negative flow of $US25.5 million in 1986, possibly because of the maturity of credits contracted during the early 1980s, the restrictive policies of export credit agencies and the reduction of imports by the LDCs as part of adjustment measures.

68. In 1981, the total cost of country development projects and programmes presented by 21 African LDCs at the Paris Conference was $133 billion (1980 prices) for the period 1981-1990, 60 per cent of which, or $US81 billion, was made up of their external funding requirements. With the addition of five more African countries in 1982, ECA's provisional estimate of the external financing needed to support the SNPA in the 26 LDCs was $US96.5 billion, or an annual flow of at least $US8.6 billion. Including resource flows to Mozambique and Mauritania, recently listed as LDCs, total net financial flows averaged about $US4.97 billion during 1981-1987, which falls far short of the annual minimum external assistance required to transform substantially the LDC economies.

69. The SNPA suggested that donors should aim to devote 0.15 per cent of their GNP to the LDCs as ODA, or to double total ODA to these countries by 1985, relative to 1975-1980 figures. In general, total DAC official development was stagnant at 0.08 per cent of GNP during 1981-1985. Four DAC members (Denmark, Netherlands, Norway and Sweden) consistently exceeded the SNPA target and marked progress was made by Belgium, Canada and France. Other DAC members, notably the United States of America, which accepted neither the target nor the time frame, did not achieve the target by 1985. These performances, however, should be judged in terms of volume of assistance and not solely in the context of donor GNP. In absolute terms, the United States of America is amongst the largest donors to African LDCs.

C. IMF arrangements

70. Under the stand-by and extended fund arrangement of the IMF, 17 African LDCs were extended credits amounting to SDR2.7 billion during 1980-1988. Because of the magnitude of the economic problems, 14 of them had consecutive arrangements during the period. The IMF Structural Adjustment Facility (SAF) was established in March 1986, to provide additional assistance on concessional terms, to low-income countries facing protracted balance of payments problems. Table 12 shows that fourteen African LDCs have benefitted from the facility to a total of SDR430.09 million.

71. In December 1987, a larger concessional facility was established, the Enhanced Structural Adjustment Facility (ESAF). Only three LDCs, Gambia, Niger and Malawi have obtained credits under this facility. A three-year ESAF, equivalent to SDR20.52 for Gambia replaces the SDR10.86 arrangement under the Structural Adjustment Facility which was approved in September 1986. In the case of Malawi, an amount of SDR55.80 million ESAF has been agreed, of which SDR46.5 million remained undrawn on 31 October 1988. Niger's credits of SDR21.4 million under the SAF, approved on November 17, 1986, was transformed into an Enhanced Structural Adjustment Facility arrangement with total financing of SDR50.5 million.

D. Use of World Bank resources

72. The bulk of World Bank loans and other credits to African LDCs are provided from IDA resources. Total net disbursements increased from $US337.8 million in 1981 to $US900.7 million in 1987. During 1981-1985, seven LDCs (Burkina Faso, Guinea-Bissau, Malawi, Sierra Leone, Sudan, Togo and Uganda) obtained structural adjustment loans (SALs) and other adjustment-related financing, using both IDA resources and the special facility for sub-Saharan Africa, to a total of SDR434.5 million. In 1986-1987, SALs and other sector adjustment credits to eleven African LDCs amounted to SDR442.4 million. In addition to the Bank's own resources, co-financing arrangements were made on behalf of 11 LDCs involving SDR310.6 million. The total loans and credits negotiated through the bank to the 15 LDCs was SDR1187.5 million during 1981-1987. Of this total, 48 per cent, or SDR574.1 million, was granted to only three LDCs: Malawi (SDR251.4 million), Niger (SDR116.3 million) and Uganda (SDR206.4 million) (see Table 13).

73. IDA-8 for the period 1988-1990 became operational in September 1987 with a funding level of $US12 billion. This is an all-important source of development finance for the African LDCs, because its concessional terms are more appropriate for their repayment capacities. Fifty per cent of IDA-8 is available to sub-Saharan African countries, with a substantial proportion in quick-disbursing funds for countries implementing adjustment-programmes. Under the terms of the IDA-8 agreement, however, the final maturity of credits has been shortened from 50 to 40 years for LDCs, grace periods of ten years are allowed and a service charge of 0.75 per cent on disbursed amounts is imposed. Fifteen African LDCs have already benefitted from this facility.

74. The World Bank's Special Action Programme (SPA) to assist low-income, debt distressed African countries pursuing economic policy reforms is another significant development. The Bank has reached an agreement with donors involving $US6.4 billion, including an ODA component of $US3 billion in concessional quick disbursing funds for the period 1988-1990. More than half of this amount is to be provided through formal co-financing agreements with the Bank and the remainder will be in the form of highly coordinated financing.11/ Twelve African LDCs have fulfilled the eligibility criteria and will receive immediate assistance.12/

E. Alleviation of the debt burden

75. DAC members of the OECD are the major sources of loans and other credits to the LDCs in Africa. The alleviation of the debt burden has been of major concern to the OECD in recent years. In Toronto, in June 1986, the seven largest OECD industrialized countries agreed on modalities concerning concessional relief on official bilateral debt. Mali was the first LDC to benefit from the initiative at a Paris Club meeting in October 1988, involving $US70 million. The relief package contained three options: to write off one third of debt-service obligations and, to consolidate the two-thirds remaining with a repayment period of 14 years (including an 8 year grace period), consolidate at market rates, with repayment period of 25 years (including a 14 years grade period), consolidate at a preferential interest rate, which would be the market rate reduced by 3.5 per cent or 50 per cent, whichever is lower, with a repayment period of 14 years (including an 8 year grace period).

76. Prior to this, OECD creditors had taken various debt relief measures in the context of the UNCTAD Trade and Development Board Resolution 165(S-IX). Fifteen DAC countries agreed to cancel some of the ODA debt of 26 LDCs, involving a total of $US2,219.6 million.13/ The major beneficiaries were United Republic of Tanzania ($US503.7 million), the Sudan ($US295.5 million), Niger ($US149.8 million), Mali ($US10.4 million), Malawi ($US196.3 million), Botswana ($US123.7 million) and Burkina Faso $US130.5 million). Other measures included the waiving of interest payment, or the refinancing of debt interest, involving $US700.3 million and of this $US359.7 million benefitted the Sudan alone. (See Table 15).

77. The wide diffusion of the debt problems of African LDCs is indicated by the fact that during 1980-1988, 15 of them have rescheduled their debts with official creditors, twelve of them more than once; involving 90-100 per cent of eligible maturities (both principal and interest on government loans and guaranteed export credit). The frequency and increased level of rescheduling by the Paris and London Clubs is symptomatic of the low level of financial flows to the LDCs in Africa and is an indication of the inadequacy of the current measures to resolve the debt problems of these countries

78. Over 70 per cent of the total outstanding debt of the African LDCs is owed to multilateral creditors including IMF and the World Bank, which cannot be rescheduled under current approaches. Because of the difficulties LDCs face in meeting their obligations to the IMF, some of them have been declared ineligible to draw on the Fund's Resources. The ineligibility to use IMF resources means no IMF and/or World Bank supported Structural Adjustment Programme and consequently no bilateral ODA flows, since the IMF seal of approval is a pre-condition for donor assistance. This is one of the most important issues for any agenda on LDCs debt problems in the 1990s.

F. Commercial policy measures

79. A crucial area of concern to countries dependent on primary commodities is the access to industrial markets for their exports. The growth in export capacity continues to be hampered by the agricultural and trade policies of developed countries, which make it difficult for the LDCs to design and implement coherent agricultural strategies. Protectionism and restrictive agricultural policies, such as those pursued by the EEC in providing massive subsidies to agricultural products, have depressed world demand and the prices of many agricultural commodities produced by the LDCs. Similarly the US Farm Bill of 1986 placed tariff barriers on raw cotton, which is a major export commodity of some African LDCs.

80. There have been no changes in the IMF Compensatory Financing Facility (CFF) mechanism to compensate the LDCs for export shortfalls. This inflexibility, which also applies, in varying degrees, to the Stabex schemes and other trade barriers, lessens the export prospects and foreign exchange earning capacity of the LDCs. This situation is forecast to aggravate the resource problems of the LDCs during the 1990s and thus to hinder the implementation of development programmes.

G. Aid modalities

81. In paragraph 70 of the Substantial New Programme of Action, it is stated that the successful implementation of the programme would require significant improvements in aid practices and management, particularly the provision of assistance as grants and loans on highly concessional terms. Since 1981, DAC concessional ODA as a proportion of total resource flows to the African LDCs increased steadily, apart from 1982 and 1984, and in 1986, the share was 91 per cent. The OECD recommended either an average grant element of at least 86 per cent, based on individual countries' receipts during 1984-1986, or a grant element of at least 90 per cent, based on receipts of the LDCs as a group.14/ The grant element of DAC concessional assistance increased from 86 per cent in 1981, to 89 per cent in 1983, dropped to 85 per cent in 1985 but rose again to 89 per cent in 1986. The DAC norm of 86 per cent for the LDCs has been met for most bilateral aid from OECD member countries.

82. The DAC donors have shown increased flexibility in financing larger proportions of project costs and are changing to more quick-disbursing types of aid, particularly for supporting adjustment and stabilization measures. Canada finances the local recurrent costs of development projects to the extent of 27 per cent of bilateral assistance. The Scandinavian countries provide commodity assistance and import-support for rehabilitation and reconstruction projects. The United States devotes 55 per cent of available assistance to non-project aid.

H. Aid co-ordination

83. During 1981-1988, 18 African LDCs each organized at least one round table donor meeting with UNDP assistance; six held consultative group meetings organized by the World Bank; Botswana and Ethiopia are yet undecided and in Sierra Leone, the round table meeting that was scheduled for late 1988 was not convened. During 1988, the LDCs followed up the roundtable meetings by sectoral consultations with donors in their respective countries.

84. Donors continued to be very critical about project priorities and LDCs absorptive capacities relative to the Public Investment Programmes (PIPS). The policy dialogue, however, led to a better articulation of the macro-economic policy framework and created a better understanding of the assistance needs of the LDCs. On the whole, adequate medium-term pledges were made, in addition to short-term quick-disbursing funds and import support for countries undertaking adjustment measures. The actual disbursement of aid funds, however, has been rather slow and inadequate compared with the requirements of the PIPs, which adversely affected programme implementation and hampered economic growth and the development prospects in all the African LDCs.

IV. POLICIES AND MEASURES FOR THE 1990s (Issues for Consideration)

85. The primary objective of the SNPA of introducing major structural changes in the LDCs has not been fulfilled because of the neglect of transformational investments in favour of short-term stabilization measures to redress persistent balance of payments disequilibria. All the indications are that the social and economic conditions in the African LDCs have deteriorated sharply during the 1980s. In addition to structural limitations, there have been several other contributory factors such as the impact of the two major falls in oil prices in 1973/74 and 1979/80, the protracted drought, especially in 1970-1975 and 1982-1984; deteriorating terms of trade; weak export earnings; capital flight; inadequate ODA and other resource flows and mounting external debt obligations. These same factors still constitute the major constraints to development hence the objectives of the SNPA will remain valid for at least the 1990s.

86. The strategies of the Lagos Plan of Action (LPA) and Final Act of Lagos (FAL) and the Substantial New Programme of Action (SNPA), were based on a critical assessment of these factors and of the policies and measures designed to address them during the 1980s. The broad objectives and measures of the LPA for the African LDCs up to the year 2000 are that. 15/

" (i) The primary responsibility for overall development remains with the African LDCs themselves and the total political commitment of the member States to the pursuit of these objectives is necessary;

(ii) Social and economic reforms should be undertaken by the countries themselves to ensure that the benefits of all productive efforts are shared equitably by the total population and also to ensure full participation of the people in the development process;

(iii) Development of national capabilities should be accelerated in order to utilize efficiently and exercise full control over the natural resources and to lay a strong scientific and technological infrastructure for rapid economic growth and transformation;

(iv) They should establish a self-reliant and self-sustaining economy as rapidly as possible."

87. Although the African LDCs assumed the primary responsibility for their development, and in the process implemented major reform measures, rehabilitation and reconstruction activities, poor overall domestic economic management and the failure of the international community to support their broader development efforts and to demand greater accountability in the efficient allocation of domestic and external resources in the LDCs were significant elements explaining the setbacks of the 1980s.

88. During the 1990s, the main areas of policy re-orientation can be summarized as:

(i) Efficient macro-economic management; tailoring of the design, conditionalities and performance criteria of structural adjustment and stabilization programmes to the peculiar characteristics of the LDCs; the integration of such programmes in the framework of the LDCs medium- and long-term national socio-economic development objectives;

(ii) Effective mobilization and efficient allocation of domestic resources, including human resources development and utilization;

(iii) The enlargement of financial assistance, especially ODA, in volume and terms, corresponding to the immediate and long-term development needs of the LDCs;

(ii) Commodity stabilization, compensatory financing of primary commodity export short falls and access to industrialized markets within the framework of the Integrated Programme on Commodities (IPC); the Common Fund; the GATT General System of Trade Preference (GSTP) and the South-South General System of Preference (GSP);

(v) Alleviating the external debt burden of the LDCs in the spirit of the Toronto meeting of the Group of Seven economies and new approaches to multilateral debt which cannot be rescheduled under present approaches.

89. The success of any strategies and policies arising from the second UN Conference on LDCs for the 1990s will depend on mutually reinforcing committments and the dedication of the international community and the LDCs themselves to create an environment for adequate recovery and for self-sustained economic growth and development. The primary concern in such development cooperation efforts must be to raise the living standards, not only of the priviledged few, but of the population as a whole.

Footnotes

1/ There are 42 least developed countries in the world of which 28 are in Africa.

2/ United Nations: Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981; - A/CONF/104/22/Rev.1.

3/ Benin, Botswana, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea-Bissau, Guinea, Lesotho, Malawi, Mali, Mauritania, Mozambique, Niger Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, the Sudan, Togo, Uganda and the United Republic of Tanzania.

4/ ECA: Survey of Economic and Social Conditions in Africa, 1986-1987, - Statistical Annex.

5/ Burkina Faso (12.04%), Gambia (13.09%), Guinea-Bissau (10.40%), Mali (21.89%), Mauritania (12.49%), Niger (17.06%), Somalia (9.32%) and the Sudan (5.50%).

6/ United Nations: World Population Trends and Policies, 1987 Monitoring Report, New York, 1988.

7/ ECA: Report on Integrated Maternal and Child Health Family Planning Programmes in Africa - ECA/POP/WP/87/3/(1.311) - August 1987.

8/ The Implications of Structural Adjustment and Stabilization Programmes on Long-term Growth and Development in the African Least Developed Countries, ECA/LDCs.6/EXP.7/4.

9/ Fifteenth Session/Sixth Meeting of the Conference of Ministers Resolution 397(XV): The Role of ECA in the Development Process of the African Least Developed Countries.

10/ See: Various Issues of the "Review of ECA Activities in Favour of the African LDCs".

11/ OECD: Development Cooperation, 1988 Report.

12/ Burundi, Central African Republic, Gambia, Guinea-Bissau, Malawi, Mauritania, Mozambique, Niger, Sao Tome and Principe, Tanzania, Togo and Uganda. Other receipient LDCs in the immediate future include: Benin, Comoros, Equatorial Guinea, Mali and Somalia.

13/ This figure excludes debt cancellation by some DAC members for which data is not available.

14/ OECD Development Co-operation, 1987 Report.

15/ OAU: Lagos Plan of Action for the Economic Development of Africa, 1980-2000.

ANNEX

Table 1: GDP Growth Rate of African LDCs, 1980-1988

(1980 constant prices)

	1980-84	1984-85	1985-86	1986-87	1987-88
Benin	2.7	-4.0	3.8	1.0	2.6
Botswana	12.1	5.8	12.4	15.5	8.6
Burkina Faso	2.1	14.3	3.6	2.4	2.2
Burundi	2.5	11.8	3.3	4.5	4.7
Cape Verde	4.8	-2.3	2.3	4.5	2.2
Central Afr. Rep.	1.8	3.1	1.7	2.4	2.0
Chad	1.5	23.2	-2.4	0.2	5.0
Comoros	3.9	2.9	0.0	1.4	0.7
Djibouti	1.5	0.6	-0.6	0.0	-0.9
Equatorial Guinea	0.5	3.7	0.0	-1.8	0.0
Ethiopia	1.6	-7.3	7.1	7.6	-1.5
Gambia	0.9	-3.6	6.7	5.8	4.7
Guinea	2.7	1.2	3.1	5.6	4.1
Guinea-Bissau	1.1	-2.5	0.0	0.0	3.8
Lesotho	0.8	1.5	5.8	4.7	3.6
Malawi	3.3	7.5	2.0	0.5	1.1
Mali	1.0	1.4	5.9	3.9	4.8
Mauritania	-0.6	3.8	0.5	1.1	2.7
Mozambique	-8.3	-7.1	4.3	5.3	4.3
Niger	-4.2	4.7	4.5	-3.5	1.1
Rwanda	1.96	3.5	4.8	2.2	1.4
Sao Tome & Principe	-7.3	-5.3	-6.3	0.0	0.0
Sierra Leone	-0.07	-2.9	-3.7	0.1	-2.0
Somalia	1.5	8.2	0.5	1.3	6.1
Sudan	7.1	-9.5	5.5	3.8	1.4
Tanzania (Un. Rep. of)	-0.2	2.5	3.0	3.7	-1.2
Togo	-2.8	2.9	3.2	1.4	2.2
Uganda	2.7	-2.0	-4.9	4.9	2.7
African LDCs	0.5	-0.4	3.8	3.6	2.1

Source: ECA secretariat.

Table 2: Gross Domestic Savings Rate of African LDCs, 1980-1988

(1980 constant prices)

	1980-84	1985	1986	1987	1988
Benin	-0.03	0.0	1.2	-1.6	-1.9
Botswana	32.4	41.2	43.9	48.9	49.4
Burkina Faso	-3.5	0.6	4.6	4.4	3.9
Burundi	2.5	6.5	5.2	7.9	7.0
Cape Verde	-26.2	-25.6	-28.4	-27.2	-26.6
Central Afr. Rep.	-1.2	-4.6	-9.5	-5.8	-4.2
Chad	1.4	-6.9	-8.3	-10.3	-6.5
Comoros	13.4	13.9	11.8	14.4	19.7
Djibouti	-6.0	-13.1	-16.7	-19.1	-21.9
Equatorial Guinea	-9.9	7.1	10.7	10.9	10.9
Ethiopia	6.5	0.4	-2.9	2.5	6.2
Gambia	8.3	4.9	2.7	-3.2	-4.9
Guinea	16.9	15.2	15.2	17.8	18.0
Guinea-Bissau	-16.3	-8.6	-8.7	-7.1	-6.4
Lesotho	-85.6	-83.6	-73.3	-60.3	-49.5
Malawi	8.1	12.2	11.1	10.8	10.6
Mali	-1.6	-3.1	4.8	12.2	13.6
Mauritania	-0.2	-6.0	-7.5	-12.1	-8.4
Mozambique	-10.7	-20.7	-20.1	-20.8	-22.1
Niger	8.4	5.9	10.3	9.9	9.9
Rwanda	-3.7	-5.5	-6.1	-4.8	-5.6
Sao Tome & Principe	-13.6	-18.8	-20.0	-53.3	-53.3
Sierra Leone	0.2	-8.1	-7.9	-5.3	-6.8
Somalia	-1.1	2.9	-0.8	2.2	4.8
Sudan	6.0	9.2	7.1	14.9	14.7
Tanzania (Un. Rep. of)	9.0	3.2	13.8	13.9	13.4
Togo	17.9	14.7	16.8	18.8	19.7
Uganda	0.7	7.9	-0.6	-2.7	2.2
All African LDCs	4.76	4.62	5.06	8.19	9.31

Source: ECA secretariat.

Table 3. Gross Domestic Investment of African LDCs, 1980-1988

(Per cent of GDP at 1980 constant prices)

	1980-84	1985	1986	1987	1988
Benin	20.19	10.89	10.80	10.93	10.96
Botswana	32.24	23.10	28.34	36.94	5.54
Burkina Faso	23.89	25.48	28.39	28.37	28.27
Burundi	17.33	13.50	24.12	28.84	17.92
Cape Verde	56.83	47.67	46.59	45.65	46.81
Central Afr. Rep.	10.77	11.45	10.86	11.19	10.96
Chad	5.44	10.95	11.33	12.54	13.31
Comoros	36.49	42.36	36.11	34.93	34.01
Djibouti	23.38	22.50	21.70	22.33	23.17
Equatorial Guinea	22.27	17.86	16.07	14.55	14.55
Ethiopia	11.20	13.02	22.82	14.03	13.81
Gambia	24.12	23.11	20.00	23.23	23.31
Guinea	12.23	10.42	10.46	10.14	10.77
Guinea-Bissau	25.65	24.00	24.28	23.07	22.75
Lesotho	31.65	29.50	27.42	28.44	26.14
Malawi	17.18	15.17	8.94	10.05	10.13
Mali	14.08	19.43	22.11	23.51	24.56
Mauritania	39.27	32.10	15.76	10.22	17.02
Mozambique	15.74	6.82	10.30	10.47	10.93
Niger	16.23	11.80	13.05	15.82	15.82
Rwanda	13.33	16.02	17.77	13.71	13.61
Sao Tome & Principe	29.13	25.00	23.33	20.00	20.00
Sierra Leone	14.09	10.32	8.37	8.27	7.65
Somalia	14.85	18.38	13.61	14.94	17.30
Sudan	14.29	9.31	8.53	6.87	6.16
Tanzania (Un. Rep. of)	21.63	21.73	25.11	22.97	21.62
Togo	28.22	23.55	31.34	21.13	20.49
Uganda	5.29	5.22	7.23	7.76	8.10.
All African LDCs	16.31	15.02	15.17	15.24	13.92

Source: ECA secretariat.

Table 4. Annual Growth Rate of Agricultural Production in African LDCs, 1981-1986

(at constant 1980 prices)

	1981-1982	1982-1983	1983-1984	1984-1985	1985-1986
Benin	4.9	2.5	3.0	-5.1	0.4
Botswana	-7.7	17.4	-9.6	-8.1	12.0
Burkina Faso	-0.7	0.4	-0.9	11.1	2.9
Burundi	-9.8	-0.4	-1.6	10.1	5.8
Cape Verde	5.9	-7.3	31.7	18.8	0.2
Central Afr. Rep.	5.5	-7.9	11.7	3.4	0.7
Chad	-1.3	-4.9	-4.6	8.9	2.1
Comoros	3.5	1.8	0.4	4.8	2.8
Djibouti	5.8	1.9	4.3	3.6	2.0
Equatorial Guinea	2.1	-5.8	1.9	10.1	3.1
Ethiopia	2.5	0.7	-9.9	-16.0	3.1
Gambia	32.5	19.8	-22.8	-7.1	13.0
Guinea	1.2	-5.1	0.6	3.3	-0.8
Guinea-Bissau	0.3	1.5	8.4	-3.6	10.4
Lesotho	-2.9	-8.6	-6.3	20.5	-5.5
Malawi	6.5	4.3	11.1	-3.3	4.1
Mali	6.7	-12.7	-7.8	-6.5	21.9
Mauritania	-6.1	-7.4	2.4	5.2	12.5
Mozambique	-2.4	-23.1	2.8	1.1	-15.0
Niger	-2.5	11.4	-10.0	2.3	17.1
Rwanda	1.4	2.9	-11.3	5.8	3.4
Sao Tome & Principe	-18.6	-18.1	-27.6	1.0	1.0
Sierra Leone	1.7	-0.3	3.7	0.2	0.1
Somalia	6.9	-28.6	30.7	-4.0	9.3
Sudan	-7.0	-13.4	-5.0	-6.9	5.5
Togo	-7.9	-1.9	0.2	3.3	-2.2
United Rep. of Tanzania	1.7	0.1	2.5	2.8	3.3
Uganda	8.1	5.0	-6.3	-4.3	3.2

Source: ECA: Survey of Economic and Social Conditions in Africa, 1986-1987.

Table 5. GDP Growth, MVA Growth Rates and Other Indicators in Selected African LDCs, 1980 and 1987 a/

	Annual average GDP growth rate	MVA growth rate %		MVA as percentage of GDP		MVA per capita (1980 dollars)	
	1980-1987	1980	1987	1980	1987	1980	1987
Benin	2.9	-3.5	-1.1	5.2	5.0	17	14
Burkina Faso	5.6	-3.9	2.8	11.5	12.9	8	9
Burundi	5.5	4.1	4.2	8.1	7.1	19	17
Central Afr. Rep.	2.3	2.5	-0.6	7.1	6.3	25	19
Chad	5.6	5.4	-5.1	9.1	8.0	19	13
Ethiopia	2.3	-1.4	-6.2	9.9	11.7	10	12
Gambia	0.9	-16.3	3.0	6.8	13.3	28	55
Guinea	3.2	1.0	4.4	3.1	3.2	9	9
Guinea-Bissau	-0.4	5.8	1.3	1.8	1.5	3	3
Malawi	3.3	4.2	0.4	13.5	14.0	28	25
Mali	3.1	-5.1	2.1	3.7	4.7	8	9
Mozambique	-1.5	-7.8	1.2	8.7	6.8	29	18
Niger	0.4	8.3	4.7	3.7	3.6	18	16
Rwanda	5.1	3.5	3.7	15.3	17.4	35	40
Sierra Leone	-1.6	25.0	14.2	7.3	5.3	27	14
Togo	1.2	5.3	-0.7	7.0	6.6	31	21
Uganda	0.2	6.5	2.1	4.1	3.8	36	34

Sources: ECA calculations. See also UNIDO: Industry and Development Global Report - 1988-1989.

a/ Preliminary estimates.

Table 6. Percentage Share of Industrial Branches in Selected African LDCs, 1984

(1980 dollars)

	Sectoral value added ($US)	Branch percentage share				
		Food	Textiles and clothing	Machinery and transport equipment	Chemicals	Other Branches
Burkina Faso	148	63	16	1	-	19
Burundi	101	76	-	-	5	17
Chad	62	48	34	-	-	18
Mali	84	25	57	6	2	10
Mauritania	43	91	-	-	-	9
Niger	78	33	27	-	11	26
Rwanda	210	72	-	-	3	25
Sierra Leone	75	42	-	-	6	52
Sudan	694	38	-	3	4	56
Togo	67	43	38	-	-	19
Uganda	20	59	17	-	2	22

Source: ECA: Survey of Economic and Social Conditions in Africa, 1986-1987.

Table 7. Road Network in selected African LDCs
(road mileage in kilometers)

	1975	1983	1986
Benin	6500	8500	8700
Burkina Faso	5250	8684	8990
urundi	4120	4120	5265
Central African Republic	22560	22560	23690
Comoros	855	900	900
Gambia	1300	3083	3200
Guinea	23000	27420	29090
Guineà-Bissau	3000	4000	4100
Lesotho	2404	4085	4330
Malawi	10956	12697	13094
Mauritania	7200	7300	7300
Niger	11951	18819	19440
Rwanda	9020	11820	12468
Sierra Leone	7800	7800	8300
Somalia	17000	21297	21470
Sudan	8956	9028	9700
United Rep. of Tanzania	26389	67754	82114

Source: ECA: DEC/TRANSCOM/37, Appendix VII.

Table 8. Share of Mining in GDP and Export of main Mineral Producing African LDCs

(1981-1985 average)

Country	Principal Minerals	% share in GDP	% share of export
Botswana	Diamonds	28	74
Guinea	Bauxite concentrate of aluminia	15	91
Mali			
Mauritania	Iron ore	11	52
Niger	Uranium	8	89
Sierra Leone	Diamonds Rutile	10	71
Togo	Phosphates	10	46

Source: UNCTAD;

Table 9. External Debt of African LDCs*
(end of 1987)

	Total[1/] (billion $US)	Of which: outstanding use of fund credit (million $US)	Debt outstanding medium and long-term publicly guaranteed debt, of which, in per cent			
			Multi-lateral creditors	Bi-lateral creditor	Financial institu-tions and others	Debt ratio[2/]
Benin	0.84	-	34.9	14.7	50.4	371.4
Botswana	0.51	-	60.0	29.7	10.3	48.2
Burkina Faso	0.72	-	67.1	31.2	1.7	300.8
Burundi	0.71	12.1	68.4	27.9	3.7	627.8
Cape Verde	0.11	-	58.9	38.4	26.8	250.0
Central Afr. Rep.	0.64	45.4	51.0	48.3	0.7	330.7
Chad	0.27	28.6	72.7	27.3	-	162.7
Comoros	0.15	-	59.6	40.4	-	704.2
Djibouti	0.15	-	43.5	54.5	2.0	109.5
Equatorial Guinea	0.15	7.7	21.9	75.2	2.9	483.9
Ethiopia	2.33	62.7	36.1	53.1	10.8	385.6
Gambia	0.25	34.7	53.3	31.3	15.4	244.9
Guinea	1.62	46.2	25.8	60.2	14.0	275.6
Guinea-Bissau	0.36	4.5	37.8	48.9	13.3	1500.0
Lesotho	0.22	-	88.9	9.2	1.8	55.5
Malawi	1.25	110.3	67.3	26.0	6.7	399.7
Mali	1.69	75.1	34.4	64.0	15.5	523.5
Mauritania	1.63	71.2	28.7	60.8	10.5	347.5
Mozambique	3.59	17.3	6.7	77.6	15.8	1726.0
Niger	1.11	114.7	38.1	43.2	18.7	264.5
Rwanda	0.43	-	72.5	27.5	-	216.8
Sao Tome & Principe	0.11	114.7	38.9	42.2	18.9	873.0
Sierra Leone	0.66	99.6	33.7	46.2	20.1	562.7
Somalia	1.80	166.2	32.6	63.7	3.7	1428.6
Sudan	12.10	858.7	13.8	62.5	23.7	1520.1
Tanzania (Un. Rep. of)	3.67	94.9	38.4	57.6	4.0	677.1
Togo	1.27	78.4	46.0	47.0	7.0	301.4
Uganda	1.82	257.1	63.5	33.8	2.7	497.3
All African LDCs	40.16	2175.4	-	-	-	-

Source: Compiled from the IMF Survey, June 1988 - Supplement on Sub-Saharan African debt.

* All LDCs in Africa, except Botswana, are eligible for the use of the IMF's Concessional Structural Adjustment Facility.

1/ Excludes arrears; includes short- medium-, and long-term publicly guaranteed and unguaranteed debt, plus outstanding use of IMF credits.

2/ Total debt outstanding plus use of IMF credit over exports of goods and

Table 10. Total Net External Financial Flows from all sources to African LDCs, 1981-1987 (in US$ million)

Country	1980	1981	1982	1983	1984	1985	1986	1987
Benin	393	79	130	93	117	100	80	72
Botswana	53	73	80	126	182	163	135	158
Burkina Faso	235	142	174	203	185	197	233	206
Burundi	135	91	106	184	151	196	150	134
Cape Verde	63	47	52	66	68	74	97	63
Central Afr. Republic	127	70	69	103	121	117	119	122
Chad	34	36	43	97	120	191	139	148
Comoros	43	45	29	34	40	49	38	39
Djibouti	71	45	40	58	103	96	43	58
Equatorial Guinea	10	10	10	13	19	19	26	33
Ethiopia	270	172	154	425	612	947	713	516
Gambia	86	77	37	38	50	50	86	76
Guinea	154	93	69	59	49	107	120	160
Guinea-Bissau	90	73	64	63	69	64	56	78
Lesotho	94	73	67	112	99	122	79	74
Malawi	188	128	91	109	199	123	189	211
Mali	269	157	150	195	343	374	279	259
Mauritania	146	172	169	181	140	174	129	135
Mozambique	320	279	235	262	255	411	426	465
Niger	252	241	207	194	137	301	246	266
Rwanda	156	102	104	164	166	190	180	174
Sao Tome & Principe	2	5	8	13	13	15	11	14
Sierra Leone	93	60	73	69	65	60	74	65
Somalia	530	245	419	293	376	338	512	424
Sudan	837	515	565	797	595	953	558	410
Tanzania (Un. Rep. of)	838	584	507	589	629	555	544	704
Uganda	136	102	115	153	178	235	166	215
Togo	181	34	66	113	122	93	108	76
Total	5807	3750	3835	4808	5203	6274	5638	5356

Source: ECA secretariat.

Notes: Calculations are based on data (in nominal terms) from OECD and UNCTAD secretariats using the International Financial Statistics (IFS) deflator. Computation at 1980 prices and exchange rates.

Table 11. Net Disbursements of ODA from DAC, ARAB and Multilateral sources to African LDCs, 1980-1987 (US$ million)

Country	1980	1981	1982	1983	1984	1985	1986	1987
Benin	77	74	54	88	82	97	115	96
Botswana	99	87	69	99	98	97	88	115
Burkina Faso	202	197	144	190	187	203	234	202
Burundi	105	110	86	146	134	141	151	132
Cape Verde	59	47	37	62	67	73	94	63
Central Afr. Rep.	99	91	60	96	121	109	115	120
Chad	26	54	44	98	121	191	141	148
Comoros	39	41	29	33	38	45	38	39
Djibouti	138	57	40	56	73	73	74	59
Equatorial Guinea	9	9	14	16	18	19	32	32
Ethiopia	178	299	135	407	550	874	672	513
Gambia	45	60	32	43	56	52	87	76
Guinea	68	90	61	56	54	115	127	151
Guinea-Bissau	49	61	50	61	62	59	55	75
Lesotho	85	93	63	109	104	96	75	79
Malawi	123	123	82	121	168	119	169	201
Mali	210	222	142	194	346	373	286	263
Mauritania	152	167	126	135	133	156	138	128
Mozambique	148	279	141	237	315	379	480	520
Niger	161	178	174	162	163	318	258	256
Rwanda	134	138	102	154	168	185	175	174
Sao Tome & Principe	2	5	8	13	13	15	11	13
Sierra Leone	80	56	56	68	51	69	74	46
Somalia	339	329	313	315	364	321	435	392
Sudan	610	625	501	627	544	966	649	477
Tanzania (Un. Rep. of)	625	609	463	610	584	501	586	656
Uganda	91	122	90	138	175	194	166	195
Togo	83	56	52	114	115	110	142	87
Total	4036	4278	3170	4450	4904	5949	5669	5306

Source: ECA secretariat (notes for Tables 10 also apply to the calculations in Table 11).

Table 12. Stand-by, Structural Adjustment Facility (SAF), and Enhanced Structural Adjustment Facility (ESAF) Arrangements by 17 African LDCs, 1986-1988 (million SDRs)

	Date of Arrangements	Expiration	Total Amount	Undrawn Balance
Stand-by Arrangements			38.72	19.16
Malawi	Mar. 2, 1988	May 30, 1989	13.02	3.77
Mali	Aug. 16, 1988	Oct. 4, 1989	12.70	10.16
Togo	Mar. 16, 1988	Apr. 15, 1989	13.00	5.23
SAF Arrangements			430.09	223.35
Burundi	Aug. 8, 1986	Aug. 7, 1989	27.11	5.76
Central Afr. Rep.	June 1, 1987	May 31, 1980	19.30	13.22
Chad	Oct. 30, 1987	Oct. 29, 1990	19.43	13.31
Guinea	July 29, 1987	July 28, 1990	36.77	25.19
Guinea-Bissau	Oct. 14, 1987	Oct. 13, 1980	4.76	3.26
Lesotho	July 5, 1988	July 4, 1991	9.59	6.57
Mali	Aug. 5, 1988	Aug. 4, 1991	32.26	22.10
Mauritania	Sept. 22, 1986	Sept. 21, 1989	21.53	4.58
Mozambique	June 8, 1987	June 7, 1990	38.74	8.24
Sierra Leone	Nov. 14, 1986	Nov. 13, 1989	36.77	25.19
Somalia	June 29, 1987	June 28, 1990	28.07	19.23
Tanzania (Un. Rep. of)	Oct. 30, 1987	Oct. 29, 1990	67.95	46.55
Togo	Mar. 21, 1988	Mar. 20, 1991	24.38	16.70
Uganda	June 15, 1987	June 14, 1990	63.25	13.45
ESAF Arrangements			126.87	105.72
Gambia	Sept. 17, 1986	Sept. 16, 1989	20.52	17.10
Niger	Nov. 17, 1986	Nov. 16, 1989	50.55	42.12
Malawi	July 15, 1988	July 14, 1991	55.80	46.50
Total			595.68	348.23

Source: IMF Survey, November 28, 1988.

Table 13. Use of World Bank Loans and Credits by 15 LDCs in Africa, 1981-1987
(SDR million)

	1981-1985	1986	1987	Amount of Co-financing	Total loans and other credits	% of Total
Burkina Faso	13.8	-	-	9.0	22.8	1.92
Burundi	-	27.5	-	18.7	46.2	3.89
Central Afr. Rep.	-	26.3	11.5	8.0	45.8	3.86
Gambia	-	14.2	-	13.5	27.7	2.33
Guinea	-	38.5	-	68.7	107.2	9.03
Guinea-Bissau	10.1	-	12.0	26.9	49.0	4.13
Malawi	158.5	-	8.4	84.5	251.4	21.17
Mauritania	-	-	33.1	7.6	40.7	3.43
Niger	-	54.9	61.4	-	116.3	9.79
Sao Tome & Principe	-	-	5.4	8.5	13.9	1.17
Sierra Leone	20.3	-	-	5.4	25.7	2.16
Sudan	46.4	-	-	-	46.4	3.91
Tanzania (Un. Rep. of)	-	79.5	-	33.8	113.3	9.54
Togo	74.7	-	-	-	74.7	6.29
Uganda	110.7	-	69.7	26.0	206.4	17.38
TOTAL	434.5	240.9	201.5	310.6	1187.5	100.0

Source: ECA secretariat. Calculations are based on data from UNCTAD and other sources.

Table 14. African LDCs: Official Multilateral and Commercial Bank Debt Rescheduling 1/ (amount restructured in million SDR)

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Central Afr. Rep.									
Paris Club	-	72	-	13	-	14 2/	-	-	-
Equatorial Guinea									
Paris Club	-	-	-	-	-	38	-	-	-
Gambia									
Paris Club	-	-	-	-	-	-	17	-	-
Guinea									
Paris Club	-	-	-	-	-	-	196	-	-
Commercial Banks	-	-	-	-	-	-	-	25	-
Guinea Bissau									
Paris Club	-	-	-	-	-	-	-	25	-
Malawi									
Paris Club	-	-	25	26	-	-	-	-	30
Commercial Banks	-	-	-	57	-	-	-	-	-
Mauritania									
Paris Club	-	-	-	-	-	74	27	90	-
Mozambique									
Paris Club	-	-	-	-	283	-	-	36 2/	-
Commercial Banks	-	-	-	-	-	-	-	140	-
Niger									
Paris Club	-	-	-	36	-	38	34	-	30
Commercial Banks	-	-	-	-	27	-	52	-	-
Sierra Leone									
Paris Club	37	-	-	-	25 2/	-	86 2/	-	-
Commercial Banks	-	-	-	-	25	-	-	-	-
Somalia									
Paris Club	-	-	-	-	-	127	-	153 2/	-
Sudan									
Paris Club	-	-	203	518 2/	249 2/	-	-	-	-
Commercial Banks	-		55 3/	790 3/	883 3/	920	-	-	-
Tanzania (Un. Rep. of)									
Paris Club	-		-	-	-	-	1046	-	-
Togo									
Paris Club	-	232	-	300 2/	75 2/	27	-	-	124
Commercial Banks	69	-	-	84	-	-	-	-	-
Uganda									
Paris Club	-	30	19	-	-	-	-	170	-

Source: IMF Survey, June 1988 - Supplement on Sub-Saharan African Debt.

1/ Debt rescheduling with Commercial Banks is recorded in the year agreement is reached in principle, debt restructuring with official creditors is recorded in the year in which the agreed minute is signed.

2/ Includes the Restructuring of Previously Rescheduled Debts.

3/ Modification of 1981 Agreement.

Table 15. Action taken under Section A of resolution 165 (S-IX) in favour of African LDCs

A Summary of debt cancellation (millions of US dollars)

	Canada	Denmark	Finland	France	Germany Fed. Rep. of	Italy	Japan	Luxemburg	Netherlands	New Zealand	Norway	Sweden	Switzerland	United Kingdom	Total
Benin	14.1	23.6		4.0	20.4	0.8									62.9
Botswana	34.0	7.0			33.7							6.1		42.9	123.7
Burkina Faso	0.9	11.6		17.8	92.7				7.5						130.5
Burundi				0.3	30.1										30.4
Central Afr. Rep.				1.6	13.3										14.9
Chad		1.7		15.2	6.1										23.0
Comoros				5.0											5.0
Djibouti				11.1	3.4										14.5
Ethiopia			1.8			9.8	X					10.9			22.5
Gambia					10.9									11.0	21.9
Guinea				2.8	23.6	6.4			1.0						33.8
Guinea-Bissau									9.8						9.8
Lesotho		2.2			12.0									0.6	14.8
Malawi	36.8	38.9			49.1		X		7.2					64.3	196.3
Mali	1.9			13.2	93.8	1.5									110.4
Mauritania		0.6													0.6
Niger	37.7	7.9		6.2	98.0										149.8
Rwanda					56.2		X	0.3		X					56.5
Sierra Leone					47.5				5.5					18.2	71.2
Somalia					56.8	28.7									85.5
Sudan		7.6			237.0	7.4	X		16.9			10.2		20.4	299.5
Togo		9.3		3.7	101.0										114.0
Uganda	2.2	7.2			27.7		X		3.6					25.2	65.7
U.R. of Tanzania	37.7	118.0	26.5		190.1	12.2	X		53.3		9.9	50.7		5.3	503.7

Table 15. (continued)

B. Nominal value of other measures taken with respect to ODA debt (millions of US dollars)

	Belgium A	Belgium B	Canada A	France A	Germany Fed. Rep. of A	Netherlands A	Sweden A	U.K. A	USA C	Total
Benin			X	2.0	X					2.0
Botswana			X		X		1.2	1.1		2.3
Burkina Faso			X	8.3	X	2.2				10.5
Burundi				0.2	X					0.2
Central Afr. Rep.				1.9	2.7					4.6
Chad				8.4	0.9					9.3
Comoros				3.0						3.0
Djibouti				3.1	0.3					3.4
Ethiopia							2.0			2.0
Gambia					X					X
Guinea				0.8	X	0.2			47.0	48.0
Guinea-Bissau						0.7				0.7
Lesotho					X			0.2		0.2
Malawi			X		X	1.4		1.5	2.4	5.3
Mali			X	5.6	X					5.6
Mauritania										-
Niger			X	3.2	X					3.2
Rwanda					X					X
Sierra Leone					9.2			4.0	30.1	43.3
Somalia					X				115.8	115.8
Sudan					X	5.9	1.8	0.8	351.2	359.7
Togo				0.9	21.1					22.0
Uganda			X		5.0	0.6		3.7		9.3
U. Rep. of Tanzania	0.2		X		X	12.3	9.5	1.9	25.0	49.9

Source: UNCTAD

General notes: X indicates action taken by the creditor country in favour of the individual debtor country but amounts are not allocable by debtor country. The totals for LDCs include some unallocated amounts.

Ireland and Norway have been providing their ODA to LDCs in the form of grants and are therefore not shown in this table.

A - Waiving of interest payments.

B - Refinancing of debt interest.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

E

Distr.
GENERAL

E/ECA/LDCs.9/EXP.8/3/Add.1
20 March 1989

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Eighth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries

Addis Ababa, Ethiopia, 22-24 March 1989

ECONOMIC COMMISSION FOR AFRICA

Ninth meeting of the Conference of Ministers of African Least Developed Countries

Addis Ababa, Ethiopia, 4-5 April 1989

LC/NAIROBI.

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

42/177. Second United Nations Conference on the Least Developed Countries

E/ECA/LDCs.2/EXP.8/3/Add.1

Distr.
GENERAL

A/RES/42/177
25 February 1988

UNITED NATIONS

GENERAL ASSEMBLY

Forty-second session
Agenda item 82 (b)

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/42/821/Add.2)]

42/177. Second United Nations Conference on the Least Developed Countries

The General Assembly,

Recalling its resolution 40/205 of 17 December 1985, in which it decided to carry out a global review and appraisal of the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries 1/ at a high level in 1990 and to determine the precise level, mandate, date and venue for such a review, as well as the preparatory process, at its forty-second session, in the light of the consultations that would take place under the auspices of the United Nations Conference on Trade and Development, including those of the seventh session of the Conference,

Bearing in mind the Substantial New Programme of Action for the 1980s for the Least Developed Countries, in which it was recommended that the Intergovernmental Group on the Least Developed Countries of the United Nations Conference on Trade and Development should meet at a high level to carry out the mid-term global review of progress towards the implementtion of the Programme of Action, and consider the possibility of holding a global review at the end of the decade, which might, inter alia, take the form of a second United Nations conference on the least developed countries, 2/

Recalling also the Final Act adopted by the United Nations Conference on Trade and Development at its seventh session, in which the Conference recommended that a second United Nations conference on the least developed countries should be convened at a high level in 1990 to review and appraise the implementation of the Substantial New Programme of Action, 3/

1/ Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981 (United Nations publication, Sales No. E.82.I.8), part one, sect. A.

2/ IBid., para. 119.

3/ TD/351, para. 153.

Taking note of Trade and Development Board decision 349 (XXXIV) of 16 October 1987 4/ on the preparations for the global review and appraisal of the implementation of the Substantial New Programme of Action,

Expressing deep concern at the continuing deterioration in the overall socio-economic situation of the least developed countries,

1. Decides:

(a) To convene the Second United Nations Conference on the Least Developed Countries at a high level in 1990. The mandate of the Conference should be as follows:

(i) To review progress at the country level thus far in the decade;

(ii) To review progress in international support measures and particularly in official development assistance;

(iii) In the light of (i) and (ii) above, to consider, formulate, and adopt appropriate national and international policies and measures for accelerating the development process in the least developed countries during the 1990s in accordance with their long-term national social and economic objectives;

(b) To accept the generous offer made by the Government of France to host the Conference;

(c) To hold the Conference in September 1990;

(d) To convene one session of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries in the spring of 1989 followed by one session of the Intergovernmental Group on the Least Developed Countries, as Preparatory Committee for the Second United Nations Conference on the Least Developed Countries, early in 1990 in order to prepare for the Conference; the duration of these two meetings will be one and a half weeks and two weeks respectively; the terms of reference of these meetings are annexed to the present resolution;

2. Decides to designate the United Nations Conference on Trade and Development as the focal point for the preparations for the Second United Nations Conference on the Least Developed Countries, and requests the Secretary-General of the United Nations to designate the Secretary-General of the United Nations Conference on Trade and Development to serve as Secretary-General of the Second United Nations Conference on the Least Developed Countries and, in that capacity, to make all necessary arrangements for the holding of the Conference;

4/ To be issued in Official Records of the General Assembly, Forty-second Session, Supplement No. 15 (A/42/15), vol. II.

3. Calls upon all Governments, intergovernmental and multilateral institutions and others concerned to take appropriate steps to ensure that adequate preparations are made for the Conference and to participate effectively in the two above-mentioned preparatory meetings;

4. Requests all concerned organs, organizations and bodies of the United Nations system to submit, before the first preparatory meeting, reports containing a review of the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries within their fields of competence and proposals for further action as input to the preparations for the Conference;

5. Requests the Secretary-General, with the assistance of the Director-General for Development and International Economic Co-operation and the Secretary-General of the United Nations Conference on Trade and Development, to ensure the full mobilization and co-ordination of all organs, organizations and bodies of the United Nations system in the preparations for the Conference;

6. Requests the Secretary-General to obtain, as has been the past practice, extrabudgetary resources to ensure the effective participation of the representatives of the least developed countries through provision of the resources necessary to finance the travel expenses of at least two representatives from each least developed country to attend the preparatory meetings referred to in paragraph 1 above;

7. Further requests the Secretary-General to submit a report to the General Assembly at its forty-third session on the state of preparations for the Second United Nations Conference on the Least Developed Countries.

96th plenary meeting
11 December 1987

ANNEX

Terms of reference

A. Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries

The purpose of the Meeting is to provide substantive inputs to the Second United Nations Conference on the Least Developed Countries, to be held in 1990. Taking into account the Substantial New Programme of Action, the Meeting will be devoted to:

(a) Assessment of progress in the socio-economic situation of the least developed countries during the 1980s in the light of ongoing national and international measures;

(b) Consideration of the requirements of the least developed countries that are of particular relevance to their development and that call for strengthened efforts during the 1990s;

(c) Consideration and identification of appropriate national and international measures for accelerating the development process in the least developed countries during the 1990s;

The results of the deliberations under (a), (b) and (c) above will be reported to the Conference through the Intergovernmental Group on the Least Developed Countries of the United Nations Conference on Trade and Development.

B. Intergovernmental Group on the Least Developed Countries of the United Nations Conference on Trade and Development (Preparatory Committee for the Second United Nations Conference on the Least Developed Countries)

The Intergovernmental Group on the Least Developed Countries will serve as the Preparatory Committee for the Second United Nations Conference on the Least Developed Countries, to be held in 1990. The Preparatory Committee will consider the follwoing matters:

(a) Substantive preparation for the Conference on the basis of the report of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, and of all other relevant inputs;

(b) Provisional agenda for the Second United Nations Conference on the Least Developed Countries;

(c) Provisional rules of procedure of the Conference;

(d) Organizationoof work of the Conference.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

Distr. GENERAL

E/ECA/LDCs.9/EXP.8/3/Add.2

17 March 1989

Original. ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Eighth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries

Addis Ababa, Ethiopia, 22-24 March 1989

ECONOMIC COMMISSION FOR AFRICA

Ninth meeting of the Conference of Ministers of African Least Developed Countries

Addis Ababa, Ethiopia, 4-5 April 1989

LC/NAIROBI

PREPARATIONS FOR THE SECOND UNITED NATIONS CONFERENCE ON LEAST DEVELOPED COUNTRIES

(A note by the ECA Secretariat)

INTRODUCTION

1. The United Nations General Assembly in Resolution 42/177 of 11 December 1987 had decided to convene the Second United Nations Conference on the Least Developed Countries at a high level in 1990, which would carry out a global review and appraisal of the implementation of the SNPA during the 1980s and to consider, formulate and adopt appropriate national and international policies and measures to accelerate development in the LDCs during the 1990s. The government of France has offered to host the meeting which is scheduled to be held in Paris, 3-14 September 1990.

2. In order to facilitate the work of the Conference1/ the LDCs are requested to prepare a paper, entitled "Country presentation", which will be made available to the preparatory committee of the Conference, other preparatory meetings and the Conference itself.

3. It should be recalled that at its eighth meeting, the Conference of Ministers of African LDCs adopted resolution 643(XXIII): preparation for the Second United Nations Conference on least developed countries. In operative paragraph 3, the Ministers requested "African and international organizations especially ECA, UNCTAD and OAU to provide all necessary technical assistance to the African LDCs, in the evaluation of progress made in the implementation of the SNPA and in the formulation of the new strategy to be presented to Conference".

4. In the context of the above resolution, the ECA is collaborating with UNCTAD in the execution of a UNDP funded project INT/88/032: "Assistance to the LDCs for the preparation of the United Nations Conference on LDCs, 1990." ECA/UNCTAD Technical Assistance missions are planned for 1989 with the following terms of reference:

(i) Review progress in preparations of country presentations with technical and substantive staff in concerned ministries,

(ii) Provide on-the-spot assistance including advise on the structure and content of country presentations if requested;

(iii) Determine what further work is needed to complete the 'Presentation';

(iv) In case further assistance is needed, to assist the government officials in defining the nature of the inputs, timing and duration of consultancy missions.

1/ See: Annex of E/ECA/LDCs.9/EXP.8/3/Add.1 for the terms of reference of the Conference.

5. The country presentations should make an assessment of the economic performance of the LDCs during the 1980's in the light of ongoing national and international measures and of their requirements for the 1990's. The country presentations should be based on the 'model' appendaged to this note 2/

2/ The "model for country presentation" was designed by UNCTAD and it is expected to be used by the Ministries of Planning and Economic Development or National Focal points for the SNPA of African LDCs, in the preparation of their respective country presentations.

MODEL FOR COUNTRY PRESENTATION

Contents

		Paragraphs	Page
A.	Introduction		
I.	Economic performance during the eighties		
	A. Current economic situation (an overview)		
	B. Key productive sectors		
	C. Social sectors		
	D. Human resources development		
II.	Action taken at the national level since adoption of the SNPA		
	A. Long and short term development plans and programmes		
	B. Agriculture		
	C. Manufacturing		
	D. Other productive sectors		
	E. Transport and communications		
	F. Trade		
	G. Human resources development		
	1. Population policy		
	2. Education and employment		
	3. Women and youth		
	4. Institutions		
	H. Measures to mobilize domestic resources		
	I. Administration, management and planning		
	J. Debt		
III.	International response		
	A. Level of ODA		
	B. Other financial flows		
	C. Terms and conditions of aid		
	D. Access to markets		
IV.	Accelerated development in the nineties		
	A. Development plans		
	1. Development objectives, priorities		
	2. Strategies and policies.		

B. Productive sectors

1. Food and agriculture

(i) Food production
(ii) Food imports
(iii) Food security
(iv) Agriculture

2. Manufacturing
3. Other productive sectors

C. Trade
D. Human resources mobilization

1. Local participation in development
2. Women and youth
3. Formal education
4. Literacy programmes
5. Institutions
6. Vocational training

E. Development of physical and institutional infrastructure
F. Resource availabilities and resource gap

1. Domestic resource (public and private)
2. External financial support
3. Commercial borrowing

G. Aid modalities, management and co-ordination

1. Aid modalities
2. Aid management
3. Aid co-ordination

H. Other international measures

1. Commercial policy measures
2. Technology
3. Economic co-operation among developing countries

V. Project proposals

A. Ongoing projects proposals
B. Pipeline projects (1990-1995)
C. Pipeline projects (considered for implementation until the end of 1999).